



# Employer News

## Spring 2008

### Retirement Board

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## Liaison Officer Conference

Our 2007 Liaison Officer conference, held at the Excalibur in Las Vegas, was a great success. PERS staff had the opportunity to network with our public employers and to provide valuable information in a wide variety of areas related to PERS benefits and employer responsibilities.

The 2008 Liaison Officer Conference is tentatively scheduled for Friday, November 14th in Reno, Nevada. More information regarding the location and conference schedule will be provided in the up-coming months.

## Holiday Pay Defined

### When is Holiday Pay subject to retirement contributions?

Holiday pay is compensation for work actually performed during an official holiday which is in addition to compensation paid to all employees who do not work, providing the total working hours do not exceed the working hours of a normal workweek or pay period as certified by the public employer.

An important rule to remember is that holiday pay is only subject to contribution if an employee has worked on a holiday and receives additional compensation for working on that holiday over and above their normal daily rate of pay.

**Example** - An employee works from Monday through Friday and one of those scheduled work days is a holiday that the employee is required to work. In this case, the employee receives additional compensation over and above his normal salary for working on the holiday.

Total Hours Worked = 160 (Assuming a 4 week reporting period)  
Salary for 160 hours at "straight time" = \$2,000.00  
Extra salary for working on the holiday = \$200.00

This employee would still receive credit for working 160 hours during the reporting period, but his increased earnings of \$2,200.00 are subject to PERS contribution.

**Special Note:** If an employee's regular day off falls on a holiday and they receive an additional day of compensation, these wages are not subject to contribution if their total hours compensated exceeds the full-time equivalency for the reporting period.

# Call-Back Pay Defined

## When is call-back pay subject to contribution?

### Call-Back Pay Definition

- (a) Except as it may conflict with the Nevada Administrative Code at 284.214, call-back pay is defined as compensation earned for returning to duty after a member has completed his regular shift, is off duty for any period of time, and is requested to return to duty with less than 12 hours notice.
- (b) Scheduling the 12-hour rule set forth in subsection (a) will be activated by the electronic call-out required for the shift scheduling from the public employer. Any electronic response system must comply with the 12-hour rule and not allow the employee call-in response to govern notification for purposes of the 12-hour rule.
- (c) An employer may not convert what would otherwise be an overtime shift to a call-back shift by waiting until there is less than 12-hours notice to request a return to duty, if the employer has knowledge more than 12-hours before the start of the shift to be staffed, either through notification or through normal staffing policies, of the staffing need.

In order for wages to meet the definition of call-back pay, a specific sequence of events must occur. First, employees must be off shift for any period of time, then they must be contacted to return to work with less than 12 hours of notice.

#### Examples:

1. An employee works from 8:00 am to 5:00 pm and is contacted at 4:15 pm to return to work at 7:30 pm that evening. The additional wages the member will earn in this case **do not** meet the definition of call-back since the employee did not finish his shift before he was contacted to return to work.
2. An employee is off shift and is contacted on Saturday morning at 8:00 am that he must return to work on Sunday at 8:00 pm. The additional wages the member will earn in this case **do not** meet the definition of call-back since the employee is given more than 12 hours notice to return to work.
3. An employee completes his shift at 5:00 pm and is contacted at 5:30 pm that evening to return to work at 11:00 pm that night. The additional wages the member will earn in this case **do** meet the definition of call-back since the employee was off shift and was contacted to return with less than 12 hours notice.

The Retirement Board will be considering changes to the definition of call-back pay. Public hearings on the proposed changes will be held on April 16, 2008 in Las Vegas and on May 21, 2008 in Carson City. Please see the Liaison Officer notice dated March 26, 2008 for more information.

## How to Determine a Retirement Effective Date

How does PERS determine a member's effective date of retirement? According to NRS 286.541 (2), retirement becomes effective on whichever of the following is the later:

- (a) The day immediately following the applicant's last day of employment;
- (b) The day the completed application is filed with the System;
- (c) The day immediately following the applicant's last day of creditable service; or
- (d) The effective date of retirement specified on the application.

The employer has a direct part in the determination of the effective date of retirement as it relates to sections (a) and (c).

For non-school district employees, the last day of employment is the final day on which the employee is employed. This can be any day of the week and should reflect the employee's actual employment situation. For example,

a non-school district employee, who terminates from employment on March 31, 2008, will have an effective retirement date of April 1, 2008, provided the employee's retirement application has been received by PERS on or before this date.

School district and charter school teachers who work based on the school or academic year calendar earn a full year of service if they work the full contract or academic year. Service for the school year is credited over a 12-month period, even though the employee may only work when school is in session. Service credit for the school or academic year is, in most cases, tracked from September 1<sup>st</sup> through August 31<sup>st</sup> regardless of the actual school or academic year calendar dates.

School district support staff who work less than 12 months in a school year, earn one and one-thirds day of service credit for each day they work when school is in session. The extra one-thirds service credit is applied to the summer months when school is not in session. Like teachers, most school district support staff earn service credit from September 1<sup>st</sup> through August 31<sup>st</sup>.

School district employees, who plan to retire effective September 1, 2008, should not return to work for the district after the last day of school in the 2007-2008 school year. Allowing employees to work into the next school or academic year will extend their effective retirement effective date past September 1, 2008.

## Spring Rural Counseling

In the spring and fall of each year, a PERS counselor goes “on the road” to the rural areas of Nevada to provide retirement programs and counseling to our members who normally would not have the opportunity to visit one of our three offices.

PERS Las Vegas staff are responsible for service to Beatty, Tonopah, Caliente, Panaca, Pioche, Ely, Mesquite and Laughlin. PERS Carson City staff provide service to Fallon, Fernley, Hawthorne, Elko, Winnemucca, Yerington, Lovelock, and Battle Mountain. Group counseling programs and/or individual appointments may be offered.

Once a trip is planned, a notice will be sent to our rural Nevada agencies listing the date, time and location of the meeting. This notification can be sent through the mail or as an email to your agency representative.

## PERS Investment Update

After years of relatively low volatility, the stock market has gotten a lot more “challenging” in the last few months. Following 4 consecutive years of positive returns, an expected economic slowdown in the U.S., spurred by a correction in the housing and credit markets, has been the catalyst for declines in the stocks.

PERS’ investment portfolio is generally defensively structured, holding a larger bond allocation than the average public pension plan, and avoiding direct exposure to riskier asset classes. We also employ broad diversification measures, holding over 5,000 individual securities. This has helped stabilize returns in the recent environment.

As an example of PERS’ diversified structure, even recently, we have experienced positive returns from nearly half of our assets, including U.S. bonds, international bonds, private equity and private real estate.

Longer term, PERS’ performance continues to rank in the top 10% of pension funds nationally on a risk adjusted return basis. In fact, the PERS’ fund exhibited the lowest risk of any state public pension plan for the last 10 and 20 year periods. This conservative approach helps the fund weather these volatile market environments.

Generating wealth in good financial times is only one part of the challenge; preserving wealth in difficult periods is equally important. The recent market volatility reinforces that investing in a diversified blend of assets is the best defense against uncertainty. History has proven that consistent and patient investors will be rewarded over the long term. We expect the Retirement Board’s disciplined, conservative investment approach will continue to serve the fund well going forward.

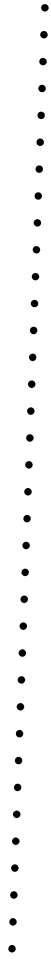
## Board Meeting Dates and Locations

### **Carson City Meetings—693 W. Nye Lane**

May 21, 2008  
June 18, 2008  
August 20, 2008  
September 17, 2008  
November 13, 2008  
December 10, 2008

### **Las Vegas Meetings—5820 Eastern Avenue, Suite 220**

April 16, 2008  
July 16, 2008  
October 22, 2008



693 W. Nye Lane  
Carson City, NV 89703  
(775) 687-4200  
Fax (775) 687-5131

5820 S. Eastern Avenue, Suite 220  
Las Vegas, NV 89119  
(702) 486-3900  
Fax (702) 678-6934

7455 W. Washington Avenue  
Suite 150  
(702) 486-3900  
Fax (702) 304-0697

## Welcome New PERS Agencies

Rainbow Dreams Academy

Westcare Charter School

Nevada Virtual Academy

Coral Academy Las Vegas

Nevada Connections Academy

Douglas County Mosquito Abatement Dist.

Incline Village Crystal Bay Visitors and Convention Bureau

**Questions? Call us toll free  
1-866-473-7768**

This publication is intended to provide general information. If there is any conflict between this information and Nevada laws or PERS policies, the laws and policies will supersede this information. *Employer News* is a quarterly newsletter for participating public employers of the Public Employees' Retirement System of Nevada. Comments or suggestions may be directed to: PERS, Newsletter, 693 W. Nye Lane, Carson City, Nevada 89703